

Premier hints at better chances for talks with Lebanon

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Prime Minister Peres said on American television yesterday that there had been some "diplomatic movement" over the weekend "which enhanced the chances of the negotiations" on an Israeli withdrawal from Lebanon.

He declined to elaborate, adding: "Let's wait and see."

Meanwhile, Reuters reported yesterday that the Lebanese delegation will present new proposals when the Nakoura talks resume on January 7, according to Lebanese government sources.

These proposals result from the meeting in Damascus last week between Lebanese President Amin Gemayel and Syrian President Hafez Assad.

The Lebanese sources did not specify the nature of the proposals, Reuters said.

During a 30-minute interview on NBC's *Meet the Press*, Peres expressed confidence that Israel would be

able to reach a satisfactory arrangement with both Lebanon and Syria which would avoid the necessity of Israel's taking "unilateral decisions."

He credited the Israeli announcement earlier in December of possible "unilateral decisions" as apparently triggering some change in the Lebanese position over the weekend.

He said Israel wants to get out of Lebanon as quickly as possible, but in an "orderly way."

"I do believe that some of the Lebanese are already aware of it," he added.

He declined to predict exactly when all Israeli troops might be withdrawn, but promised it would be "in a few months."

Peres also said the results of Israel's economic recovery programme so far have been "far better than we expected."

He predicted that Israel "shall put our house in order," adding that it is

(Continued on Page 2, Col. 3)

Orr says no guarantee that Katyushas won't fall in North

By MENAHEM HOROWITZ
Jerusalem Post Reporter

KIRYAT SHMONA. — "No one can guarantee that no Katyushas will fall on Galilee," OIC Northern Command Aluf Orr said yesterday during a visit here.

Orr was in Kiryat Shmona to check on the town's civil defence arrangements. He visited an air raid shelter in a school, and spoke with local leaders about possible consequences of a pullback in Lebanon.

In a conversation with local residents, many of whom are troubled by reports of the possible withdrawal, Orr said: "Kiryat Shmona has become a symbolic target for terrorists, who want to see who can hit it the most. We'll do all we can so that life here can continue quietly and peacefully, but without slogans of 'No more Katyushas.'"

Orr added that the army will do everything possible to make sure

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Two IDF soldiers wounded in Lebanon

Jerusalem Post Reporter

KIRYAT SHMONA. — Two Israel Defence Forces soldiers were wounded yesterday morning by light arms fire near the village of Sakakiye, south of Sidon.

The shots were fired from a roadside orchard at about 8.30 a.m. at an IDF patrol consisting of a jeep and a command car. The two soldiers who were wounded received first aid and were then flown by helicopter to Rambam Hospital in Haifa.

The IDF closed the area, and soldiers found a Kalashnikov rifle and ammunition about 50 metres

east of where the incident had occurred.

Sakakiye is located in a Shi'ite area where the IDF has made extensive arrests in recent weeks.

In other developments, a Lebanese civilian was wounded yesterday afternoon when a grenade was tossed at a South Lebanon Army patrol in Sidon.

S.L.A. soldiers yesterday killed one Lebanese youth and critically wounded another when they failed to halt on their motorcycle at a checkpoint in Sidon, Israeli Radio reported last night.



Mourners of murdered former mayor of Hebron Fahd Kawasme gather at the Kawasme home in Hebron yesterday.

Fahd Kawasme to be buried today in Amman

By DAVID RICHARDSON
and DAVID BERNSTEIN
Jerusalem Post Reporters

Jordan announced last night that the murdered former mayor of Hebron, Fahd Kawasme, would be buried today in Amman.

An announcement on Jordanian Television said Kawasme would be buried in his family's plot in the Jordanian capital's cemetery.

Kawasme's family had earlier asked the civil administration in the West Bank and the Defence Ministry for permission to bury Kawasme in Hebron. The cabinet meeting at the Ministerial Defence Committee, discussed the request yesterday, but it did not release any information on its deliberations.

Kawasme was shot dead outside his home in Amman on Saturday afternoon.

He had been deported to Jordan over four years ago.

Throughout the West Bank yesterday Syria and its Palestinian surrogates were blamed for the assassination of Kawasme, who was recently elected to the 14-man executive of the Palestine National Council and who was a close supporter of PLO leader Yasser Arafat.

Arafat, who arrived in Amman yesterday to pay his respects to Kawasme's family, blamed Syria for the slaying.

"We all know that Syria helped the hand of Zionism," Arafat was quoted as saying, "because the Zionists didn't kill Kawasme — Syria did that for them."

In the West Bank, hundreds of people gathered outside the Kawasme home and hotel at the northern entrance of Hebron to ex-

tend condolences to the family and to await the government's decision on his burial. Since no decision was published, frustration and confusion mounted throughout the day, although by and large the anger focused on Syria.

In Hebron itself there was a spontaneous commercial strike to protest the assassination, and there were rumours of a similar strike throughout the West Bank today.

Kawasme's brother Faiz left for Amman yesterday to attend the funeral.

"Oz Veshalom," the dovish movement of Orthodox Jews, yesterday sent a telegram to Prime Minister Peres and Defence Minister Rabin, urging that Israel allow Kawasme to be buried here.

Kach leader Meir Kahane was detained yesterday after driving to Hebron in an attempt to celebrate there over Kawasme's death.

Kahane refused to obey security authorities' orders to leave town and locked himself inside his car next to the local military government headquarters. Police smashed the car's rear window, took Kahane out, drove him to Jerusalem and released him.

In the Arab world, Arafat's decision to lay the blame squarely at Syria's door is likely to exacerbate the bitter feud between him and Syrian President Hafez Assad, and will almost certainly end the feelers that have been put out in recent weeks to reach some kind of rap-

(Continued on Page 2, Col. 5)

Report due today on bank-share collapse

By PINHAS LANDAU
Post Finance Reporter

Tension gripped the financial community following yesterday's announcement that the state comptroller's long-awaited report on the October 1983 collapse of the bank share is to be released today.

Sources close to State Comptroller Yitzhak Tunik have indicated that Tunik will permit publication of the report immediately on its release. This would be an unprecedented departure from the comptroller's practice of first presenting his reports to the Knesset State Control Committee and allowing their publication only the next day.

If Tunik does allow publication tomorrow, it will mean he believes

Knesset members would leak the report immediately.

The report and the personal and institutional implications it is likely to contain have hung like a cloud over the Bank of Israel and the commercial banks for months. The threat of the report's possible revelations have soured relationships both within the central bank and between it and the commercial banks.

Many public figures, including Knesset members from both major parties, have already demanded the appointment of a state commission of inquiry into the bank-share collapse, since the state comptroller cannot investigate the commercial banks, but only state authorities such as the Treasury, the Bank of Israel and the Securities Authority.

Gov't offer: price freeze for pay freeze

By AVI TEMKIN
and ROY ISACOWITZ
Jerusalem Post Reporters

The government will offer to stabilize prices, provided the Histadrut agrees to freeze wages at their present level in the second stage of the economic package deal, senior government sources told *The Jerusalem Post* yesterday.

According to figures released yesterday by the Central Bureau of Statistics, the average gross salary in September, 1984 was IS231,500 — some \$566 at the rate of exchange then prevailing — a level similar to that prevailing in the same period in 1983.

According to estimates made at the National Insurance Institute, wages for October, November and December will be equal to about \$510. Since the average gross wage in June was worth \$650, this would mean wage erosion on the order of 20 per cent in the second half of the year.

The \$510 figure puts average wages at the same level as the 1982 average, and apparently this is the figure at which the Treasury is willing to stabilize prices during the coming months.

The six-minister group headed by Prime Minister Peres, which is to represent the government in the talks with the Histadrut and the private employers yesterday decided to ask the labour federation to agree

to moderate and gradual hikes in the prices of fuel, water and electricity in January.

The ministers met after the weekly cabinet meeting and heard from Finance Minister Moda'i and Economics Minister Ya'acobi about the need to reach rapid agreement on the second stage of the package deal.

According to Histadrut sources, the labour federation is likely to demand a fixed exchange rate, possibly through the linking of prices and wages to a monetary "anchor." However, it is opposed to outright dollarization, which the Histadrut believes could increase unemployment.

Another Histadrut demand will be that any new agreement specify steps to combat unemployment. According to Gideon Ben-Yisrael, holder of the Histadrut employment portfolio, the labour federation will urge that the resources earmarked for the struggle against unemployment be a fixed item in the state budget.

Specifically, the Histadrut will insist that the budget itemize the funds allocated for the rejuvenation of the Industry and Trade Ministry's employment fund, for the government Investments Centre, and for professional retraining programmes. Ben-Yisrael said.

The Histadrut's third major demand will be that the government fulfill its obligation under the current package deal to levy a tax on the self-employed and companies. It has

(Continued on Page 2, Col. 2)

Cabinet slams Moda'i over jobless, lack of overall plan

By AVI TEMKIN
Post Economic Reporter

Finance Minister Moda'i came in for strong criticism at yesterday's cabinet meeting, with some ministers accusing him of using unemployment as an economic tool and others attacking him for lacking an overall economic programme.

Moda'i hit back with accusations that his fellow ministers had not cut their various budgets as they had agreed to do. He added that coalition MKs are preventing the passage of several bills designed to save millions of dollars.

The cabinet discussion centred on

progress made in implementing the \$1.4 billion budget cuts approved by the cabinet since September.

Prime Minister Peres made it clear that the government would not approach the Reagan administration with additional aid requests until a comprehensive programme had been drafted and introduced.

Peres said that there is to be no upsetting of what he called "the traditional practice whereby Israel requests defence and economic aid and the U.S. asks for clarification of those issues."

At one point in the meeting,

(Continued on Page 2, Col. 2)

Capital to get new Supreme Court building

By DAVID LANDAU
Post Diplomatic Correspondent

The cabinet yesterday unanimously accepted an offer from Dorothy de Rothschild of Britain, on behalf of her Yad Hanadiv Foundation, to plan, build and furnish a new Supreme Court building.

The edifice is to rise near the Knesset building, which was also a contribution from Dorothy de Rothschild and her late husband, James de Rothschild, to the state.

There had been plans to construct

a Supreme Court building on a site adjoining Mt. Scopus, and a cornerstone was laid there soon after the Six Day War. But lack of funds and other problems prevented progress on that project.

In a hand-written letter to Prime Minister Peres, Dorothy de Rothschild wrote last week: "...Just before my husband died in 1957, it was his wish to offer the State of Israel a building either for the use of its parliament or its Supreme Court. He realized how greatly either would

symbolize the basic principles of the State of Israel.

"In the event, the Knesset became his first choice, and, as a result, I hope you agree, the legislature of Israel has a home worthy of its task."

"I have been asked by the council of our foundation, Yad Hanadiv, to tell you that we would like to offer the State of Israel a new Supreme Court building...I have just heard that a site near the Knesset could now be made available...Together

(Continued on Page 2, Col. 3)

Where the greenbacks are always greener

The most contentious — and, in many ways, the least understood — of the Israeli banks' operations are those that take place overseas. On the domestic front, critics can question any and every aspect of the banks' business, but even the most vehement among them must accept that the banks have some role to play. By contrast, the banks' very presence abroad — and certainly the form it takes — are matters of open dispute.

In our review of opposing theories of bank development, we noted that the "Objective Circumstances" school claimed that the primary force pushing the banks abroad was

the national need to expand the country's foreign currency reserves, and to secure lines of trade and investment credits from the international financial community. The great growth in Patah accounts (money deposited by foreigners in Israel) and in deposits in Israeli banks abroad was not merely, or even primarily, aimed at serving the banks themselves; it was an instrument of financial policy.

On the other hand, the "sovereign state" theory identified the expansionary policy of the banks themselves as the driving force behind the foreign push. When the banks ran out of growth potential at home, the theory said, they naturally set their sights further afield, and used the national needs as a rationalization for their own strategy. Worse still, they succeeded in imposing their own ambition — on the real interests of the state, while, in purely business terms, there was no justification for the extent of their intercontinental sprawl.

The key period is the years after the Yom Kippur War, when the need was greatest for extra sources of foreign currency, to cover the huge spurt in the balance of payments deficit. The banks say that the government came to them to request that they take on this major task. In order to successfully fill the role given them, they had to create a branch infrastructure and set about attracting as many deposits as they could — hence the breadth and depth of their foreign penetration. Their success can be measured by the magnitude of their deposit base (\$6.7b. in Israel and \$10b. in their foreign

offices) and the growth in trade both to and from Israel, as well as by their ability to secure for the government these crucial foreign currency loans which have kept the country going (or at least maintained our high standard of living) over the last few years.

But, the critics ask, was there no alternative to using the banks? Even if it is true, for argument's sake, that in those years Israel's diplomatic, financial and military position — coupled with the power of Arab petrodollars — was such that we could not tap the markets to borrow directly, or under government guarantee, there were, even then, other alternatives available. For example, it has been charged that the old and

(Continued on Page 7)

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HELSINKI	0	2	4	Cloudy
HONG KONG	10	15	20	Cloudy
JERUSALEM	10	15	20	Cloudy
LONDON	0	2	4	Cloudy
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MOSCOW	0	2	4	Cloudy
NEW YORK	0	2	4	Cloudy
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RUHR AREA	0	2	4	Cloudy
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THE WEATHER

Forecast: Clear.

	Yesterday's	Today's	Max	Min
Jerusalem	15	15	15	15
Golan	15	15	15	15
Nabatieh	15	15	15	15
Safed	15	15	15	15
Haifa Port	15	15	15	15
Tiberias	15	15	15	15
Nazareth	15	15	15	15
Afula	15	15	15	15
Shomron	15	15	15	15
Tel Aviv	15	15	15	15
B-G Airport	15	15	15	15
Jericho	15	15	15	15
Gaza	15	15	15	15
Beer Sheva	15	15	15	15
Eilat	15	15	15	15

SOCIAL & PERSONAL

Jewish Agency Treasurer Akiva Levinsky yesterday gave a reception at Beit Shalom in Jerusalem in honour of James Carlin, director of the Intergovernmental Committee for Migration (ICM). Among the guests were Knesset members, and Jewish Agency and government officials.

The community centre for new immigrants in Carmiel, Galilee, which was opened this summer by the British Olim Society, was dedicated in the name of Ernest and Ella Frankel, in their presence, on Wednesday, December 26.

The centre is named The Ernest and Ella Frankel Mo'adon in appreciation of their efforts in the settlement of British immigrants. Ella Frankel cut the ceremonial ribbon and Ernest Frankel unveiled the plaque. Among the guests were Avi Orenstein, representing the Mayor of Carmiel; Eric Lucas, O.B.E., chairman of the Israel Board of Directors of the British Olim Society; Len Terry, managing director of the British Olim Society, and other figures from the English speaking community.

The Soldiers Welfare Association yesterday sponsored a concert at the Dan Hotel by soprano Charlotte de Rothschild. A reception followed the concert.

Spadolini ends 5-day visit

Jerusalem Post Reporter
Italian Defence Minister Giovanni Spadolini left Israel yesterday after a five-day visit. He did not speak to reporters before boarding his flight back to Rome.

IAI said seeking Swedish engineers

STOCKHOLM (Reuters). - Israel is recruiting Swedish aerospace technicians to work on the Lavi fighter project, a newspaper reported yesterday.

The Stockholm daily Dagens Nyheter said Israel Aircraft Industries is trying to lure engineers from the Swedish aerospace firm Saab-Scania AB by offering huge tax-free salaries.

It said a British consultancy firm had advertised positions on behalf of the Israeli company, offering Swedish engineers a net \$52,000 to \$70,000 per year - up to four times their current pre-tax salaries. A Saab-Scania spokesman told

HOME NEWS

Town threatened to secede Yeroham jobless postpone action for week

By ROBERT ROSENBERG and LORA MORIEL with Itim.

Residents of the economically troubled town of Yeroham announced a six-day moratorium on protests yesterday after Employment Service director-general Baruch Haklai promised to make special efforts to find work for the jobless.

Haklai made the promise in Jerusalem after a meeting with Yeroham officials and representatives.

Haklai met with the local council head, the secretary of the workers' council, and local factory managers while Yeroham workers were demonstrating in Jerusalem for jobs.

He added that those in Yeroham needing vocational training would get it in local factories, and that during their training they would receive unemployment compensation.

Only 50 of Yeroham's 700 unemployed showed up at yesterday's demonstration outside the Prime Minister's Office. "We couldn't have controlled a mob," said one of the leaders of the rally, Haim Ben-Shitrit, 21, the youngest of 11 children. He said he had just got back from Lebanon on Saturday night and was at the pool hall when he heard about the demonstration.

Ya'acov Zarfaty, 17, dropped out of school two years ago, because, as he admitted, he was "a troublemaker."

"Don't forget to say you didn't have money for books," shouted a friend over Zarfaty's shoulder.

"That too. But really, I was a troublemaker."

Since then, Zarfaty, with eight brothers and sisters, has held odd jobs. "I clean a backyard here, do some whitewashing there. I want a job. I'll do the blackest work. I'll clean streets. Anything. A job."

Moshe Azulay, 49, has been unemployed since 1979. He was an ambulance driver. Of his 11 children, eight are still at home. A ninth, a son who was in the regular army until last year, sometimes stays with his parents. None of the eight has jobs.

"The important thing about a job is to get out of this depression, to stop being the second housewife, making beds, washing dishes," said Azulay. Azulay's black working boots were polished and he wore a tie under a polyester sweater.

Assy Arama is chairman of the "Yeroham Unemployed Committee." "I can tell you, as an ex-policeman," said Arama, "our

youths are degenerating into crime."

The demonstration yesterday had as its slogan a threat to declare Yeroham "an independent state."

Men were said to be planning to turn in their reserve duty booklets. Businessmen refuse to pay VAT. Some of the younger demonstrators said, "we'll close the roads so you'll need a visa to get into town."

"These aren't idle warnings," said Dedi Harpaz, a former Netanya resident who after 13 years in the army decided to "be Zionist" and moved to Yeroham where he opened a garage in 1981.

In Yeroham yesterday, Anat Sabag, 30, a local council employee, said, "Let's not look for the guilty party, we forgive everyone."

"The main thing is that pressing problems be solved and that the town get going again."

Yeroham, between the Great Crater and the winding Oil Road, is surrounded by army camps and dust bowls, and is a dead-end town on a dead-end road. Even the pond in Yeroham Park has dried up.

Thirty per cent of its work force is unemployed. Ten per cent of those who have jobs work for the local council, now operating out of the Project Renewal office because of a fire 10 days ago.



Unemployed residents of Yeroham demonstrate in Jerusalem yesterday.

(Ruhamin Israel)

Religious MKs furious with Baram on Who-is-a-Jew vote

By MICHAEL YUDELMAN

Jerusalem Post Reporter

Members of a religious lobby in the Knesset were furious to learn yesterday that Labour Party Secretary-General Uzi Baram intends to instruct the Labour faction today to vote against the "Who-is-a-Jew" amendment.

The lobby is to ask Prime Minister Peres and other Labour Party leaders to allow Alignment members to vote as they wish on the amendment, due to be presented to the Knesset for a first reading on Wednesday.

Lobby chairman Avner Shaki (National Religious Party) told The Jerusalem Post that if the Labour Party insists on imposing faction discipline on its members, it will be hurting all the religious parties in the coalition. He intimated that this would damage Labour's relations with the religious parties, and advised the party leadership to re-

consider before taking such an "unwise and irresponsible step."

Over the last few days, lobby members have been contacting scores of MKs in an effort to mobilize a majority for the amendment, which will define conversion to Judaism as authentic only if carried out in accordance with halacha (religious law).

The "religious lobby," which consists of all the religious factions in the Knesset, is to meet this morning with MK Aharon Abutzeira (Tami) and two religious Knesset members from Tehiya to form a religious front to fight for this and for other religious issues.

The lobby is demanding stiffer laws on the Sabbath, kashrut and pork marketing. Shaki said he sent Yavne mayor MK Meir Shitrit (Likud) a telegram urging him to shut a store selling pork in violation of state law and a municipal by-law.

Cabinet panel to decide on giving 'Time' Kahan papers

By ASHER WALLFISH

Jerusalem Post Reporter

The cabinet yesterday empowered an ad hoc committee of four ministers to rule on the repeated request by New York Judge Abraham Sofaer to make the classified documents from the Kahan commission of inquiry into the Sabra and Shatila massacres available to the attorneys in the Time magazine libel case.

The committee, chaired by Premier Peres, is to meet this morning to discuss Sofaer's request. The other three members are Vice Premier Shamir, Defence Minister Rabin and Justice Minister Nissim.

The trial, in which Industry and Trade Minister Ariel Sharon is suing Time for \$50 million, is due to resume next Monday following the Christmas recess.

The first time Sofaer asked for the classified documents, the cabinet suggested that retired Supreme Court president Yitzhak Kahan be authorized to take questions from the New York Court on the classified section of his report and to answer "yes" or "no." But this proposal was not even before the trial opened.

Sharon asked the cabinet to let the court have all the documents. When this request was refused, he made a virulent verbal attack on his colleagues as The Jerusalem Post reported at the time.

Sharon is understood to have spoken to Peres when he came back to Israel for a brief break just before Christmas, asking him to reconsider the cabinet's refusal to give the attorneys the classified material.

The secret documents were made available to the cabinet and to the members of the Knesset Foreign Affairs and Defence Committee when the Kahan report was first released.

Histadrut elections seen held in May

Jerusalem Post Reporter

TEL AVIV. - Histadrut elections will be held in all likelihood some time in May, labour federation sources said yesterday. The Histadrut leadership has decided to schedule elections as soon as possible, under the cover of an extended package deal, the sources said.

The Histadrut executive yesterday decided to convene the labour federation's council in order to change the regulations concerning the setting of an election date. No date was set for the council meeting, though, according to regulations, it must meet within a month of the executive's decision.

2 held for possessing PNC meeting minutes

GAZA (Itim). - Two youths travelling from Hebron to the Gaza Strip on Saturday night were arrested here when copies of the minutes from the recent Palestine National Council meeting in Amman and other PLO literature was found in a routine check of their car.

Security forces units in the Gaza Strip have been put on alert for January 1, the 20th anniversary of the establishment of the PLO.

MODAT-CABINET

Economics Minister Gad Ya'acobi said that if government spending is not reduced, and if a second stage of the economic package deal is not signed soon, the public will go on a spending spree.

Communications Minister Amnon Rubinstein was one of the few ministers defending Modat. He told the cabinet that it is impossible to complain about monetary injections and to oppose budget cuts at the same time.

According to figures presented by Treasury budget division head Aaron Fogel, only some \$210 million has been cut out of the original \$1.4 b. package of budget cuts approved by the cabinet.

Fogel said that the bulk of these cuts were implemented by the smaller ministries. The Health, Defence

and Education Ministries have not slashed their budgets, he said.

Fogel indicated that a package of legislative measures that would save or bring in a total of some \$600m. was stuck at the Knesset and in committee. He asked the cabinet to speed up their approval.

Later in the meeting Modat said that Ata would have closed and a number of industrial enterprises in development towns would not have been able to operate but for him.

At the end of its stormy session, the cabinet decided to take steps this week to accelerate the legislative process required to implement the budget cuts. The cabinet also authorized its representatives on the socio-economic council, the joint body that brought about the package deal, to decide on the government's requirements for a second stage of the package deal in respect to the Histadrut and the employers.

PAY FREEZE

(Continued from Page One)

already been agreed that the tax will be levied at a rate of 4 per cent of annual earnings on all non-wage earning individuals and companies.

The labour federation is also likely to insist on the implementation of various proposals of the Steinberg commission on tax reform: in particular the repeal of the Taxation in Conditions of Inflation Law and the lowering of income tax on wage earners by an average 15 per cent.

Senior Histadrut officials last night were waiting for the government to initiate formal negotiations on the next stage of the economic package deal.

While expressing their dismay that the government has not yet come up with a comprehensive economic programme, the officials said that they expected the three-way talks to

begin soon - possibly as early as today.

The Histadrut expects a tough battle on the wages issue. According to Trade Union Department chairman Haim Haberfeld, the Histadrut will not even discuss wages until the government and the manufacturers agree to the payment of compensation to private-sector workers whose wages have been eroded by inflation.

The demand for compensation is based on the private-sector work agreement signed earlier this year which provided for the payment of compensation in the event of erosion.

In the ongoing negotiations, the manufacturers have denied that wages have been eroded, while the Histadrut has claimed erosion of some 8 per cent.

Import exemptions extended until April

Jerusalem Post Reporter

Israeli students arriving from abroad and emigrants returning before April 1 will be permitted to import personal goods purchased abroad without being subject to the current import restrictions.

The restrictions, on various goods, were imposed in September as a measure to improve the economy.

The exemptions - originally due to end tonight - were extended over the weekend in an order signed by Industry and Trade Minister Ariel Sharon.

Besides allowing the importation of restricted goods, the order sets the import deposit the returnee must pay to get his goods released from customs at 15 per cent of their value, instead of the usual 40 per cent.

Farmers' group planning four new settlements

TEL AVIV. - The Farmers Federation is planning to establish four settlements soon, including one in the Jordan Rift and another in the Gaza Strip, a settlement adviser to Agriculture Minister Arye Nebamkin said yesterday.

Shlomo Wolf, who is also in charge of settlement efforts for the nonpartisan federation, said the settlements would be Elisha in the

southern Jordan Rift, to be settled by Russian immigrants; Shevet, a fishing village to be set up in the northern Gaza Strip by ex-Navy men; Avatation in the Negev and Pithar in Lower Galilee.

Wolf spoke at a press conference called here to announce the Farmers Federation convention, scheduled for January 7-8 at Shavei Zion near Nahariya.

(Continued from Page One)

not "a corrupted society."

Peres repeatedly praised Secretary of State George Shultz and the Reagan administration for offering Israel some "friendly advice" on how best to overcome Israel's economic crisis.

"I consider secretary Shultz an extremely fair-minded person and a good friend of our country," he said, adding that Shultz is also an "outstanding economist."

The prime minister conceded that the administration had not agreed to Israel's request for nearly \$5 billion in economic and military assistance. Shultz, he explained, believes that Israel should undertake some additional "drastic steps."

But on the matter of increased military assistance in the 1986 budget, Peres said the two sides are very close to reaching agreement on a specific sum.

(Continued from Page One)

they would emphasize Israel's fundamental attachment both to justice and democracy.

"Should your government look favourably on our proposal, Yad Hanadiv would undertake to fund the entire cost of the new court's planning, development, construction and equipment, working in cooperation with the president of the Supreme Court."

"We see our response to the need for a new Supreme Court as a development of the work of both my husband and of his father before him..."

"The words of the Prophet Isaiah read: 'And I will restore your judges as at first, and your counsellors as at the beginning. Afterwards Jerusalem shall be called the city of righteousness and a faithful city.'"

"Mercifully these words have stood the test of time..."

LEBANON

On the matter of economic aid, Peres was less optimistic, acknowledging that Washington is waiting to see how well Israel's economic austerity measures and other related reforms are implemented.

He defended the slow implementation of Israel's announced \$1.3b. budget cut, citing "the legislative process" in the Knesset. He also said the implementation had always been projected as being spread out over 18 months. "Only two months have passed," he said.

On other matters, Peres made these points:

● Israel has not yet reached a decision on President Reagan's request for a Voice of America radio station to be based in Israel for transmission to the Soviet Union. He said Israel is trying to answer "in the most responsible way." He cited the possi-

ble damage to Soviet Jewry which such a station could pose. He also referred to some other "technical matters which should be investigated," but he did not specify what he had in mind.

● He was gloomy about the prospects of the PLO's giving Jordan's King Hussein the green light to enter peace negotiations with Israel. In this regard, he lamented the assassination Saturday of former Hebron mayor Fahd Kawasme.

● Reagan's 1982 peace initiative is not "now on the agenda." He said the administration had welcomed some of the recent steps Israel has implemented on the West Bank improving the atmosphere there. The problem is not "plans," he said, but "partners" willing to sit around a negotiating table with Israel.

Peres was interviewed via satellite by NBC correspondents Marvin Kalb and Roger Mudd.

certainly be offset by the job opportunities the project would provide.

The sources disclosed that Yad Hanadiv had insisted, as a condition for its gift, that it handle all the planning and building itself - in constant coordination with the president of the Supreme Court, Justice Meir Shamgar and his colleagues.

Yad Hanadiv will itself put out a tender for architectural proposals, and itself supervise the construction work - with the explicit aim of completing the building expeditiously.

Justice Minister Moshe Nissim, who has been involved in the contacts between the government and Yad Hanadiv for the past nine months, said last night it is a "landmark event" for Israel.

SUPER BOWL. - The Chicago Bears held off Washington 23-19 yesterday to end the Redskins' dream of a third straight Super Bowl win.

KAWASME

(Continued from Page One)

prochement between the two men. Nayef Hawatmeh's Damascus-based Democratic Front for the Liberation of Palestine, which is believed to have been working towards such a rapprochement, openly condemned the slaying, noting that "this crime opens the door to self-destruction and fighting among Palestinians."

The PLO has announced a three-day period of official mourning.

So far, the Black September group - which in recent months has come out against Arafat - has claimed responsibility for the murder.

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SUPER BOWL. - The Chicago Bears held off Washington 23-19 yesterday to end the Redskins' dream of a third straight Super Bowl win.

Tomorrow, Civil Defence Exercise, Ramle Area

A Civil Defence exercise will be held tomorrow, Tuesday, January 1, in the Ramle area. During the course of the exercise, there will be simulated firing and explosions, and the all clear will be sounded. In case of an actual alert, sirens will be sounded on an ascending/descending scale.

Tomorrow and Wednesday, Civil Defence Exercise in the Netanya Area

A Civil Defence exercise will be held in the Netanya town area, on Tuesday and Wednesday, January 1 and 2. Participating in the exercise will be police and Magen David Adom personnel as well as the Netanya Municipality Emergency Defence system. Sirens will be sounded. In case of an actual alert, sirens will be sounded on an ascending/descending scale.

TO JOAN SHLES
We share your deep grief at the death of your

Husband

Peltours Travel and Tourism Management and Staff

In deep sorrow we announce the passing of our beloved husband, father and grandfather

BENJAMIN GUTMAN

His wife: Jessie Gutman
The Sobel family - Herzliya
The Wahrman family - Jerusalem
The Garmise family - Netanya

Funeral will take place today, Monday, December 31, 1984, at the Sanhedria Funeral Parlour at 11 a.m.

JOAN SHLES

Greens say on leaving:

'The Arabs are victims of the Jews'

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. — A true German anti-fascist party must care about "the victims of the victims," according to Jürgen Reents, leader of a visiting delegation of West Germany's Greens Party. Reents was speaking at a press conference here, just before the delegation left Israel after a two-week Middle East tour.

Reents said that one of the causes of the Arab-Israeli conflict had been the "crimes" suffered by the Jews at the hands of the Germans. Consequently, he said, Germans had a special responsibility in the region, and he called on the West German government to increase its aid to the Palestinians.

Summing up their tour, which took them to Lebanon, Jordan, Syria and Israel, the Greens confirmed that their prior notions had not changed as a result of what they had seen or heard. They called for unconditional withdrawal of the Israeli Defence Forces from Lebanon, withdrawal from the West Bank, Gaza and the Golan, and the establishment of a Palestinian state alongside Israel.

The Greens had few words of sympathy or understanding for Israel. They do not support an Israel that occupies the land of other people, Reents said, but they "definitely do support an Israel that wants to live in peace."



Jürgen Reents

Referring to the controversy that surrounded the delegation's visit, including charges of anti-Semitism, Reents acknowledged that the charges had hurt. He stressed that the Greens Party is based on the struggle against neo-Nazism and Germany's fascist tradition.

The delegation realized that its statements would be received more critically than those by visitors from other countries, he said, and acknowledged that the fact that most of the Greens were not alive during the Nazi era did not exempt them from responsibility.

Nevertheless, Reents said, the delegation believed that the charges of

anti-Semitism stemmed from its support of the Arabs and the PLO.

The Greens were sharply critical of the Israeli media and the Foreign Ministry for "misinformation" about their visit to Yad Vashem Martyrs and Heroes Memorial. Much of the media reported late last week that the delegation would not visit Yad Vashem, when in fact it spent three hours there.

Delegation member Ali Schmeisser blamed the confusion on a Foreign Ministry official with whom the delegation met before visiting the memorial. Schmeisser explained that the media had not been informed that the delegation intended visiting Yad Vashem, because they did not want to "make a show" of the visit. The Greens regarded the visit as "a very personal experience" and wanted to keep it quiet, he said.

The delegation members believe that international pressure will help alter Israel's positions. Reents said, and they would work actively towards that end. One activity being planned is the establishment of a watchdog committee under the aegis of the European Parliament to look into allegations of human-rights violations on the West Bank.

The committee is to be organized by Brigitte Heinrich, who was prevented from entering Israel due to her conviction in Germany on terrorism charges.

Blackouts expected soon
Shahal calls in vain for funds for IEC

By YITZHAK OKED
Jerusalem Post Reporter

TEL AVIV. — Despite appeals from Energy Minister Moshe Shahal, the Finance Ministry is continuing to refuse to transfer funds to the Mekorot national water company and the Israel Electric Corporation.

At yesterday's cabinet meeting Shahal called on the Finance Ministry to release subsidy money so that the IEC can function without disruption.

Today will be the second day the IEC will not get fuel from its suppliers, to whom it has run up a \$6 billion debt. Mekorot owes the IEC \$5.5 billion and the Finance Ministry owes both a total of \$12 billion in subsidies.

The IEC spokesman said yesterday it is trying to cope with the fuel shortfall and "doing everything possible to forestall blackouts in various parts of the country."

He said that the coal-fuelled station at Hadera is being operated at maximum capacity while power stations at Haifa, Tel Aviv and Ashdod burning liquid fuel are being used less.

He foresaw blackouts but was not able to state when they would start. "They might start today or in another day or two. We are doing our utmost to delay them," he said.

The Finance Ministry claims that the IEC has given extensive wage benefits to its workers, and refuses to transfer the subsidies before these benefits are retracted. The Energy Ministry claims that the payments were based on an accounting mistake which has been remedied by deducting \$7.7 million from the paychecks of IEC workers during the past two months. The Finance Ministry claims this is not enough.

Frozen St. Peter's fish
selling like hot cakes

Jerusalem Post Reporter

HAIFA. — Frozen St. Peter's fish have become one of the country's hottest selling items.

Last week the fish breeders began marketing cleaned, ready-to-cook frozen St. Peter's (amnoon) at \$1.900 per kilogram, half their regular price, to reduce the large stocks of the fish in their ponds.

Sales have shot up from 700 kgs. a week to 20 tons during the past week. Amnon Levin, secretary of the breeders union, told *The Jerusalem Post*.

The concern that the price slash might harm sales of fresh St. Peter's has proved unfounded. Sales of the fresh fish have gone up too, helped by a lower retail price of \$1.150 per kilo in some of the larger retail chains.

Bezdek gives reprieve to
defence establishment

Jerusalem Post Reporter

The defence establishment's telephone workers worked yesterday, despite Bezdek's threat to cut off an undisclosed number of lines because of an unpaid \$10 billion phone bill.

Bezdek postponed the disconnections after Prime Minister Peres announced he would personally deal with the problem.

Since the public telecommunications company was established nearly a year ago, the defence establishment has run up a \$10b. debt, not including linkage and interest. Bezdek threatened to cut off non-essential phones starting yesterday if the bill were not paid.

UK settlers convene

RA'ANANA. — Over 35,000 British Jews have settled in Israel. World Zionist Organization chairman Arye Dulin told the annual conference of the British Settlers Association here at the weekend. This represents some 8 per cent of the British Jewish community.

British Olim Society assistant director Yigal Levene said some 1,000 immigrants arrived from Britain in 1984. He praised the close cooperation between the settlers association and British Olim, the financial and mortgage assistance agency funded by the Joint Israel Appeal.

Both Levene and settlers association head Arye Chapman praised WZO aliyah department chairman Chaim Aron for his work in immigrant absorption since taking over the department.

RUBBER — Some \$3 million has been invested in a factory for silicon rubber, using knowhow acquired in the U.S., at Kibbutz Degania Bet.



A nurse teaches Ethiopian Jewish women in Kfar Sava how to diaper their babies.

(Michael Freudt)

Row over firing of Arab doctor at Rambam

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. — An Arab doctor who allegedly made insulting remarks to wounded soldiers brought to Rambam Hospital from Lebanon, has been sacked.

Dr. Suhail Karkabi's dismissal is to take effect from the end of January. The Rambam doctor's committee told *The Jerusalem Post* yesterday that it intends to fight Karkabi's dismissal.

The hospital administration declined to comment on the sacking yesterday.

According to a report in *Ma'ariv* yesterday, Karkabi's dismissal arose from insulting remarks he made as two soldiers were brought to the hospital by helicopter from Lebanon in the early hours of the morning last May 26.

Karkabi allegedly told an army medical team at the helicopter landing pad that he was "fed up with your wounded and your helicopters" and

with the government's Lebanon policy.

Hospital staff on duty in the emergency ward that night complained to administration about Karkabi's remarks. According to *Ma'ariv*, five petitions calling for the doctor's dismissal were lodged with the hospital.

The *Jerusalem Post* has learned that an internal inquiry was made at the time but no disciplinary action was taken against Karkabi.

According to hospital sources, his dismissal seven months after the alleged incident was a result of general manpower cuts, made at the hospital for purely financial reasons.

Karkabi has been working at the hospital for nearly two years. He told *The Post* yesterday that as a civil servant he could not comment on his dismissal, but said that the case is not yet over.

Rambam doctors' committee chairman Uri Teitelman said the committee was fighting the dismissal

on the grounds that no official explanation had been given for it.

He also charged that it is contrary to agreements to dismiss a trainee specialist who has completed more than one year of a five-year course, as Karkabi has.

Teitelman said that as far as he knows there was no commission of inquiry into the incident several months ago, and Karkabi has not had the opportunity to state his case.

The administration has informed the committee that Karkabi's dismissal is in no way connected to the remarks he had allegedly made in May. "They say they are firing him because they have to make cutbacks and they have taken the opportunity in his case because his contract has expired. I am not prepared to comment on whether we believe this explanation or not," said Teitelman.

He added that the doctors' committee opposes any cuts in staff, and that Karkabi's dismissal is the only dismissal they had been asked to handle recently.

Cassette pirates hurt music business

By GREER FAY CASHMAN
Jerusalem Post Reporter

There has been a "catastrophic decline" in legitimate sales of records and cassettes, Danny Yadin, head of CBS Records Ltd. and chairman of the Israel Federation of Record Manufacturers said yesterday.

Speaking to Third Programme radio personnel at the American Cultural Centre in Jerusalem, Yadin said that over the past two years sales had dropped by 40 per cent.

Conversely, sales of pirated cassettes have skyrocketed, he said, more than doubling those of legally produced recordings.

Of a total of 5,300,000 records and cassettes sold in 1984, Yadin estimated some four million were sold by cassette pirates.

Recording companies are not the sole victims of the cassette swindle, according to Yadin. The government, he said, is losing some \$13 million per annum in taxation revenue, and performing artists are being cheated out of \$3.6m. in royalties.

The drop in sales has forced cutbacks in the industry. CBS, which has 65 per cent of the local market, is barely making a profit and has reduced its staff from 120 to less than 100, he said. Yadin predicted that by the end of 1985 the CBS staff will number 60.

For the time being, record companies can do little to fight the pirates, Yadin said. Approaches to government officials, Knesset members and law enforcers have been

met with sympathy but little else.

When Yadin complained to a senior police officer that the police were not taking the matter seriously, the response was that when legislation is introduced to make copyright infringement punishable by a prison term, the police will take a more serious attitude, he said.

Yadin said he and his colleagues have collected data on 10 pirate companies, including the names and addresses of the people who operate them: the sound tracks which they lift, and the amount of money that they earn.

Yadin said that if the taxes owed by these pirates were diverted to the coffers of the Israel Broadcasting Authority, they would make an impressive difference to the IBA's annual budget.

To coincide with Gromyko-Shultz meeting:

Avital Shcharansky plans trip to Geneva

By JUDY SIEGEL
Jerusalem Post Reporter

Avital Shcharansky, wife of Prisoner of Zion Anatoly Shcharansky, is to go to Geneva next week to publicize the cause of Soviet Jewry. Her trip is timed to coincide with the meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Andrei Gromyko in the Swiss city.

Shcharansky, who has not seen her husband for 10 years, plans to hold a press conference to discuss the plight of her husband and other Soviet prisoners of conscience. "I will continue to do anything large or small, in the hope of getting Anatoly and the others out," she told *The Jerusalem Post* last night.

She would not say whether she would try to speak to Gromyko or Shultz. She has spoken to the latter several times.

Shcharansky, serving a 14-year sentence for alleged espionage on behalf of the U.S., has not been heard from since September, when he sent a letter to his family.

A Communist Party official in charge of labour camps has since told his mother, Ida Milgrom, that Anatoly was "in hospital," but he did not disclose any more information. Until then, the elderly woman had been told that he was in a labour camp in the Ural Mountains.

Friends of the aliyah activist, who health is reportedly poor, fear that he may be suffering harassment by the authorities, who recently physically abused another Prisoner of Zion, Yosef Bernstein.

Cleaner fuel at refineries a luxury—Shahal

By AARON SITTNER
Jerusalem Post Reporter

There is no need for the Haifa Refineries to change over entirely from high-sulphur fuel to the low-sulphur variety according to Energy Minister Moshe Shahal.

In a statement issued at the weekend, Shahal severely criticized "certain people in Haifa who are exploiting the air-pollution issue for political purposes without considering the high cost of low-sulphur fuels."

Shahal, himself from Haifa, did not identify the critics. If the refineries were to adapt their processes to low-sulphur fuel it would cost the

economy an "unnecessary" \$70 million a year, Shahal claimed.

To back up this claim, Shahal cited the report of a committee appointed last month by Prime Minister Peres to study the effects of the use of high-sulphur fuels by the refineries and the Electric Corporation.

The committee recommended the use of low-sulphur fuel on days when atmospheric conditions in Haifa are such that fumes from the refineries are not dispersed. Accordingly, the committee suggested that monitoring and control stations be established near the refineries' cracking plant (where crude oil is broken down to produce petrol). These sta-

tions would combine on-site air pollution readings with weather and wind-pattern forecasts supplied by the Transport Ministry's meteorological service.

The committee also recommended that responsibility for maintaining and operating the monitoring and control stations be placed in the hands of the refineries' management.

To keep track of the type of fuel being burned by the refineries, the committee recommended the appointment of a follow-up committee consisting of representatives of the Ministries of Energy, Health, Transport and Interior.

Five remanded again in 'Embassy plot'

TEL AVIV (Itim). — All five suspects arrested in an alleged conspiracy to attack the U.S. Embassy here have confessed, the police said in a remand-extension hearing in magistrate's court here yesterday.

Four of the suspects were remanded in custody for 15 days, and the remaining suspect for only 10 since he is under 18.

One of the suspects, 34, of Gaza, denied that he had confessed. But the police showed the judge the

confession he had signed before a military court judge.

Another suspect, 19, said he was sick and needed operations on his eye and back. "I'm miserable," he told the judge. "I have no mother or father."

The five were arrested earlier this month shortly before they were allegedly going to attack the embassy. Their names and a description of the weapons they were caught with have been barred from publication.

Nablihus man treated
for shrapnel wounds

A 22-year-old Nablihus man was treated at an East Jerusalem hospital on Saturday evening for shrapnel wounds in his leg.

Haili Yusef told police later that he had been standing in the centre of Hebron in a crowd when they heard an explosion and he was hit by fragments.

Police commanders in the area said that no explosion had been reported and that the man's story is being investigated. (Itim)

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Garage Association
National Council for Prevention of Accidents
The Israel Police

Rajiv Gandhi hastens to dissolve parliament

NEW DELHI. — Prime Minister Rajiv Gandhi, triumphant following an unprecedented election victory, decided yesterday to dissolve the outgoing Lok Sabha, the lawmaking lower house of parliament, will be dissolved today and the new chamber will be formally constituted.

The government announced the outgoing Lok Sabha, the lawmaking lower house of parliament, will be dissolved today and the new chamber will be formally constituted. Gandhi's Congress party will control a record number of seats in the new chamber, having won at least 395 of the 507 seats at stake in last week's general election.

The term of the outgoing Lok Sabha, elected in 1980 with a two-thirds majority for Gandhi's mother, the late Indira Gandhi, normally expires on January 20, but a government with a controlling majority can dissolve the chamber at any time.

Gandhi's new cabinet, expected to include many young newcomers and technocrats, is to be sworn in this afternoon.

With only five of the 507 districts still counting their votes, Gandhi was certain of at least a 72.6 per cent majority in the 544-seat Lok Sabha — which could improve further when elections are held later in troubled Punjab and Assam states, in the poison-gas-stricken city of Bhopal and in two snowbound districts in the Himalayas.

Thatcher says Orwell may have been right

LONDON (AP). — Prime Minister Margaret Thatcher, referring to an October attempt to assassinate her, said on Saturday she had wondered during 1984 whether author George Orwell's prediction of a totalitarian society in his book 1984 might be true.

"At the beginning I said, 'I don't think it will be an Orwellian 1984,'

but there have been times, you know, when I have wondered," Thatcher said in an interview for the British Forces Radio.

The prime minister said she will never forget the October 12 assassination attempt and a message she received from then-Indian prime minister Indira Gandhi saying violence had to be eradicated.

News of the assassination by a bodyguard three weeks later was "almost unbelievable," said Thatcher.

"You can't continue with a democracy unless you get responsibility in all parts of society," she said.

Thatcher narrowly escaped when an Irish Republican Army bomb ripped through her hotel in Brighton during the ruling Conservative Party's annual conference. Five people were killed and 32 injured.

Despite a steady security buildup in the weeks preceding the December 27 anniversary, rebels started hitting Soviet and Afghan military installations with 107mm rockets on Christmas Eve, the diplomats told journalists in Pakistan.

The attacks continued until at least Friday night, claiming one life, damaging a school and a mosque and setting a warehouse on fire, they said.

Guerrillas based in Peshawar quoted initial reports from couriers as saying more than a dozen Afghan and Soviet soldiers were killed in the attacks.

Three attacks on U.S. military posts in West Germany.

DUSSELDORF, West Germany (AP). — Two attacks against U.S. military installations in West Germany caused damage but no injuries yesterday, police said.

There were no immediate claims of responsibility for the attacks in which a U.S. Army liaison office at a British Army of the Rhine compound here caught fire and a military communications tower was damaged by an explosion near Mannheim.

In a third weekend incident, police dismantled an explosive device Saturday found in an administrative building at the U.S. Air Force's Lindsey air station in Wiesbaden. Two West German news organizations received a letter from the Red Army Faction terrorist group claiming responsibility for the bomb.

Sudan claims it has routed rebels.

KHARTOUM (AP). — Government troops overran a rebel camp in southern Sudan on Friday, killing 83 rebels and wounding an undetermined number, a source at the general command of the Sudanese People's Armed Forces said yesterday.

The Sudan News Agency quoted the source as saying three government troops were killed.

Algeria and Nigeria reject Opec's new price structure

GENEVA (AP). — The Organization of Petroleum Exporting Countries has wrapped up a fragile package of measures to help the cartel regain control of sagging oil prices, but two of the 13 members have registered dissent.

Algerian Oil Minister Balaekhem Nabil told a news conference yesterday that his country will not apply a new provisional price structure which Opec wants to put into effect pending review next month.

Nigeria, which also refused to join the consensus on the changed differential system, was assumed to be following the same line, having rejected the new adjustments in advance as "too cosmetic."

Nigerian Oil Minister Tam David-West told reporters after the end of Opec's conference late Saturday that Nigeria, which broke ranks last October with a unilateral price cut, would continue to disregard the cartel's price line if non-members Norway and Britain again lower the rates for their North Sea oil.

Algeria also announced its withdrawal from a ministerial differential committee widened to include it and Nigeria.

The provisional adjustment of the differentials fixes new quality premiums or discounts for the various qualities of oils in relation to Opec's benchmark price of \$29 a barrel for light Arabian crude.

Kuwait's Sheikh Ali Khalifa al-Sabah told reporters yesterday support is gathering for changing the benchmark price as well.

Afghan rebels elude security, hit Kabul

ISLAMABAD (Reuters). — Afghan guerrillas eluded tight security to bombard Kabul with rockets on at least five successive nights last week to mark the fifth anniversary of the Soviet military intervention there, western diplomats said here yesterday.

Despite a steady security buildup in the weeks preceding the December 27 anniversary, rebels started hitting Soviet and Afghan military installations with 107mm rockets on Christmas Eve, the diplomats told journalists in Pakistan.

The attacks continued until at least Friday night, claiming one life, damaging a school and a mosque and setting a warehouse on fire, they said.

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Moscow surgeon says installation still premature U.S., Soviets seek safe mechanical heart

MOSCOW (AP). — A Soviet heart surgeon has criticized operations performed in the U.S. to install artificial hearts, saying they amount to experiments on human beings and as such "are to be condemned."

In a commentary telexed to Western news agencies in Moscow on Saturday by the No. 2 government news agency Novosti, Prof. Valeri Shumakov said it would be at least 15 years before doctors have "a real opportunity" to implant artificial hearts working for 10 years or more.

Shumakov said it is certain "that with the adequate development of science and technology the problem of a durable mechanical heart will be settled one day." He revealed that Soviet and American scientists are cooperating on developing a fail-proof mechanism small enough to be in the body or attached to it.

This joint research now focuses on the materials used for an artificial heart. Shumakov said. He gave no further details of the cooperation beyond saying it involves regular working contacts and exchange visits.

Shumakov referred to the heart implanted in William Schroeder by Dr. William DeVries and said the news that Schroeder will soon go home indicates American surgeons are continuing to improve the mechanical heart system with an external pacemaker, and "this fact doubtless deserves approval and close attention."

Queen honours trade unionists and fireman.

LONDON (Reuters). — Queen Elizabeth yesterday honoured two of Britain's long-serving trade-union leaders, a political kingmaker and a fireman credited with saving England's ancient York Minster cathedral.

In her new year honours, the queen knighted Conservative politician Edward C. Cann, 60, who helped engineer the rise to power of the Labour government.

The knighthood — recommended by Thatcher in her list of political honours — recognized his influential role as chairman of the 1922 Committee, a group of backbench parliamentarians.

Du Cann was instrumental in orchestrating Thatcher's defeat of former prime minister Edward Heath for the party leadership in 1975.

Thatcher also handed out life peerages to Len Murray, the moderate voice of the trade-union movement for 11 years, and Frank Chapple, an ex-communist who became a right-wing reformer as head of the powerful Electricians Union for 18 years.

The queen created four life peers and 21 knights in the list of 653 honours put forward by Thatcher.

New knights included actor Anthony Quayle, 71, featured in such films as *The Guns of Navarone* and *Lawrence of Arabia*, and conductor Reginald Goodall, 83, leading interpreter of Wagner's operas.

Fireman Ralph Ford was made an Officer of the Order of the British Empire for leading the team which saved York Minster, one of Europe's finest Gothic cathedrals, when it caught fire in July.

Sacked Bolivian chief ends revolt against dismissal.

LA PAZ (Reuters). — Bolivian army chief Jose Luis Arias ended his one-day rebellion against dismissal yesterday, the commander-in-chief of the armed forces said.

Gen. Simon Sesias Tordoya said Arias had left military headquarters in the capital where he had earlier proclaimed himself still in charge of the army after being sacked Saturday.

An officer who remained with Arias in the headquarters during the rebellion said the former army chief now recognizes Gen. Raul Lopez Leyton, sworn in as his successor Saturday, as the new army chief.

Gen. Mario Oxa Bustos said Arias and Lopez Leyton had met yesterday morning and reached agreement on ending the rebellion. The former army chief was now on his way home, Oxa Bustos said.

Olivia Arias said before sending his resignation that he had been "surrounded by troops by Sesias Tordoya and that an armed clash was possible at the military headquarters."

Sources in the Bolivian Workers Confederation said union leaders had warned President Siles Zuazo on Friday night that Arias was plotting a coup. The sources indicated this was the reason for the general's dismissal.

Olivia Arias said he respects the constitution and democracy. He attributed the move to sack him to intrigues by the commander-in-chief, whom he said was being disloyal to the army because of military rivalry.

Renowned diet expert Gayelord Hauser dies.

LOS ANGELES (Reuters). — Diet expert Gayelord Hauser, who preached good health through natural foods and included Greta Garbo and other film stars among his disciples, died last Wednesday at the age of 89.

His books sold in more than 40 languages and in the 1930s his theories were taken up by members of European society and by film stars.

Sports

Israel youth tie Greece

Post Sports Staff

PETAH TIKVA. — The Israel youth team did well yesterday to hold Greece to a 0-0 draw in the annual end-of-year international youth soccer tournament now being played in Israel. Greece hold the trophy and, together with Denmark, are at the top of the league table in this tournament, both of them having five points. Israel is in third place with four points.

Today Israel play Switzerland, while Greece play Denmark. If they draw, and Israel win, Israel may leapfrog to the top of the table.

Wessels plays heroic innings

SYDNEY (AP). — Gritty left-hander Kepner Wessels batted Australia into a sound position on the first day of the fifth cricket Test against the West Indies at the Sydney Cricket Ground here yesterday.

Wessels scored an unbeaten 120 with captain Allan Border 19 not out to have Australia 235 for two at the close.

It was Wessels' fourth test century and the highest score of the series by an Australian batsman. The phlegmatic former South African held out determinedly scoring 13 fours and taking the full brunt of many deliveries on the body.

Australia looked to be in a familiar spot at one for 12 when opener Hilfield fell for two in a superb driving catch by wicketkeeper Jeffrey Dujon off Michael Holding. Kershaw (48) helped Wessels to put on 114.

Greeks were struck in the face by a ball from Courtney Walsh and was forced to retire hurt. He is undergoing preliminary X-rays, all batsmen were given a 10-minute time-out from sharply rising balls. Australia 235 for 2.

49ers down Giants

SAN FRANCISCO (AP). — Joe Montana threw for three touchdowns in the first half, and the San Francisco 49ers later got big defensive plays from Riki Ellison and Dwaine Board to escape with a 21-10 National Football League play-off victory over the New York Giants on Saturday.

The 49ers, whose 15-1 regular season record was the best in the league, won their 10th straight game and earned the right to host the National Football Conference title game on Jan. 6. They will play either the Chicago Bears or Washington Redskins.

Montana hit on touchdown passes of 21 yards to Dwight Clark and also to Steve Watson. The first two times the 49ers had the ball. Late in the second quarter, he tossed a 29-yard scoring strike to wide receiver Freddie Solomon, who scored a touchdown for the sixth game in a row.

FOOTBALL: 49ERS 21, Giants 10. San Francisco 19, Southern Methodist 27, Notre Dame 28.

Tennis sulha

Post Sports Reporter

HERZLIYA. — By a majority of only nine votes, the Israel Tennis Association's extraordinary general meeting last night here accepted the Israel Tennis Centre's long-standing application to join the ITA, with 20 per cent representation plus full voting rights. Needing a two-thirds majority for adoption, the Centre's request was passed by 451 votes to 212 at a sometimes heated gathering at the Dan-Acadia Hotel.

Earlier, the delegates turned down a Hapoel resolution to postpone yet again a final decision on the application, though approving it in principle.

SCOREBOARD

NBA — Houston 108, Portland 92; Atlanta 104, Chicago 101; Utah 99, Dallas 97; Boston 120, San Antonio 112; Indiana 123, Kansas City 115; Philadelphia 109, Golden State 98; New York 110, Detroit 108; Denver 112, Seattle 106; Lakers 113, Clippers 107; Washington 116, New York Knicks 106; Milwaukee 115, Cleveland 102.

TEENIES: Jakob Hirsch, Dan Cassidy, John Fitzgerald and Mark Auger are through to the semi-finals of the Victorian Men's Open in Melbourne.

RAMAT GAN: Amman: Tightrope 7.15, 8.30; Mary Poppins 8.30; Lily's Woman in Red 7.15, 9.30; Orestes: Ghost Busters 4.30, 7.15, 9.30; Orestes: Top Secret 7.15, 9.30; Ramat Gan: Karate Kid Sun., Wed. 4.30, 7.15; Mon., Tue., Thur. 7.15.

HERZLIYA: David: Splash 4.30, 7.15, 9.30; Hechul: Missing in Action 4.30, 7.15, 9.30; Tiber: Against All Odds 7.15, 9.15.

HOLON: Midget: Tightrope 7.15, 9.30; That Dam Cat 4.30; Savvy: Woman in Red 7.15, 9.30; Tom Sawyer 4.30.

RAT YAM: Amman: Missing in Action 4.30, 7.15, 9.30.

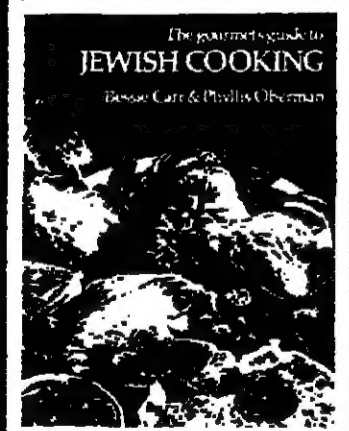


From the Kitchen Library of The Jerusalem Post

The Sephardic Kosher Kitchen by Suzi David

THE SEPHARDIC KOSHER KITCHEN by Suzi David

This warmly written cookbook is rich in Jewish cuisine and history. THE SEPHARDIC KOSHER KITCHEN features the very best and tastiest of the happy marriage of Spanish and Balkan cooking, ranging from the delicately spiced to the piquant. Illustrated by the author's husband, artist Jean David. Published by Jonathan David Inc. and distributed in Israel by Keter; hardcover, 228 pages. Price, IS 7,640



The gourmet's guide to JEWISH COOKING by Bessie Carr and Phyllis Oberman

An introduction to the classic, traditional range of Kosher cookery, JEWISH COOKING contains over 200 recipes from the rich and varied Jewish kitchen, with 50 full colour photographs and many more in black and white. Published by Treasure Press, hardcover, 144 pages. Price, IS 7,115

To: BOOKS, The Jerusalem Post, POB 81 Jerusalem, 91000. Please send me the book(s) indicated below. I enclose a cheque for the correct amount.

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JEWISH COOKING

NAME _____

ADDRESS _____

CITY _____

CODE _____

TEL _____

Price valid until Jan. 31, 1985, in accordance with the price freeze of Nov. 2, 1984.

ENTERTAINMENT

TELEVISION

EDUCATIONAL: 8.15 Pinocchio (part 1) 15.40 Laurel and Hardy 16.00 Pride and Prejudice (part 4) 17.00 A New Evening — live magazine

CHILDREN'S PROGRAMMES: 17.30 Kite — programme for 6-12 year olds 18.00 Different Strokes: Undercover Lover ARABIC-LANGUAGE programmes: 18.30 News roundup 18.35 Programme Trailer 19.30 News

HEBREW PROGRAMMES resume at 20.00 with a news roundup 20.02 Trapper John M.D. — comedy-drama series about a doctor's life in the emergency ward of a hospital starring Pennell Roberts, Gregory Harrison and Murry McCarthy. One For My Baby 21.00 Mabul Newsweek 21.35 48-44 Palmach-Harel (part 2) 22.45 Berpagan: Part 1 of a 10-part BBC detective serial, starring John Nettles, Cecile Paul and Terence Alexander. Pick-up it up 23.55 News

JORDAN TV (unofficial) 17.30 Cartoons 18.00 French Hour 18.30 (TV) Science film 19.00 News in French 19.30 News in Hebrew 20.00 News in Arabic 20.30 Cowboys 21.10 Heart of a Dragon 22.00 News in English 22.15 Jema Share Investigates 22.30 EAST TV From T.A. north: 13.00 Night 13.30 Another Life 14.00 700 Club 14.30 Shape-Up 15.00 Afternoon Movie 16.30 Spiderman 17.00 Popeye 17.30 Super Book 18.00 Boranra 19.00 Patrol Boat 20.00 Another Life 21.30 News 21.00 Hapoel Days 21.30 Monday Night Football 22.30 700 Club 23.00 News, Update 01.30 Escudate

ON THE AIR

Voice of Music 6.02 Musical Clock 7.00 Handel: Musco Scavola, overture, 7.30 Haydn: Horn Concerto No. 4; Mozart: Divertimento for String Trio, K.563 (Stein, Zukerman, Rose), Prokofiev.

12.05 Sephardic songs 13.00 News in English 13.30 News in French 14.00 Children's programmes 15.35 Notes on a Book 16.05 Religious Programme 17.12 Jewish Ideas 17.20 Everyman's University 18.00 Hebrew songs 18.47 Bible Reading 19.02 Reflections on the Portion of the Week 19.30 Programmes for Olim 22.05 Night Connection

Second Programme 6.12 Gramscian 6.30 Editorial Review 6.53 Green Light — drivers' corner 7.05 Sephardic — news magazine 8.05 Safe Journeys 9.05 House Call — with Rukia Michalel 10.10 All Shades of the Network — meeting magazine 12.10 Open Line — news and music 13.00 Midday — news commentary, music 14.06 Matters of Interest — with Gaby Gazi 15.05 Music Moments — favourite old songs 16.10 Safe Journeys 17.05 Economics Magazine 17.30 Of Men and Figures 18.06 Consumer Broadcast 18.45 Today in Sport 19.05 Today — radio newscast 19.30 Law and Justice Magazine 20.05 Central Hit Parade 21.05 Jazz Corner 22.05 Treasure Hunt

Army 6.10 Moving Sounds 6.30 University on the Air 7.07 707 — with Allen Asika 8.05 Morning Newscast 9.05 Right Now — with Shmuel Nechuman 11.05 Israeli Winter — with Eh Yisraeli 13.15 Two Hours 15.05 Time Out 16.05 Four in the Afternoon 17.05 Evening Newscast 18.05 Army and Defence Magazine 19.05 Music Today — music magazine 20.05 Golden Oldies Hit Parade 21.05 Habat — TV Newscast 22.05 University on the Air (repeat) 23.05 Popular songs 23.05 Interview of the Week (repeat) 00.05 Night Birds — songs, chat

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trusted tool of Israeli Bonds could have been revamped and massively expanded to bring in very much larger sums - from both individuals and institutions in the U.S. and possibly elsewhere. The banks, it has been said, effectively torpedoed the implementation of such a scheme, which would have interfered with their own expansion. A commission of inquiry into the banking industry would better serve the country if it investigated this issue - and others like it - rather than concentrating on the easy and popular "problems," like whether this or that senior official sold his shares on October 5, 1983.

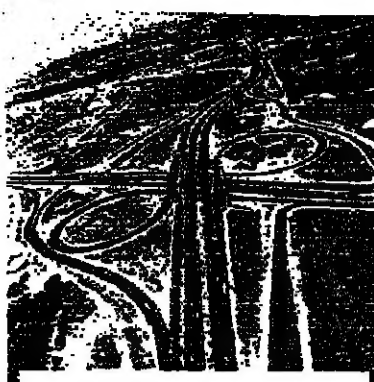
In short, the real issue of the banks' overseas operations is at the very heart of the "Objective Circumstances - Sovereign State" argument - whether the banks are, as they claim, the agents of the state, or whether the situation is quite the opposite, as the critics contend.

But that is hardly the end of the controversy. The remainder of the argument is purely business-oriented. Even if it is granted that there is a legitimate case for Israeli banks seeking to establish themselves abroad (and even this minimum assumption is not allowed by those who contend that almost everything done through branches and subsidiaries could be achieved at far less cost through representative offices and correspondent banks) the question of how remains. What method of operations should the banks employ to achieve their ends?

The answer will depend, obviously, on exactly what these ends are. If the end is simply size of balance sheet and growth of deposits, then the opening of as many branches as possible, in as many places as possible, will certainly achieve it. But (here again is one of those very big "buts" that keep cropping up) the regulatory authorities in most foreign countries are tougher than the Bank of Israel. Insisting that banks operating in their patch should have "adequate" capital as a percentage of total assets (capital/assets ratios). Since these requirements are usually higher than the levels common in Israel, Israeli banks which open foreign subsidiaries always have needed to export their own money to establish and bolster their foreign operations. The assumption was that the money was an investment, that the business results would justify the outflow of foreign currency and that, ultimately, the profits would be repatriated to the benefit of all.

But that was not usually the case. The hoped-for profits were not always easy to come by. And even where they did materialize, they usually stayed put, since bringing them back to Israel meant giving them to the Treasury as tax. Particularly in recent years, foreign regulators have tended to increase their capital requirements, forcing much of the profit straight into reserves, to improve the capital/assets ratio. In the last year, the Bank of Israel has prevented Israeli banks from sending abroad any more foreign currency to beef-up old subsidiaries or open new ones. This has forced the banks to give up dreams of further expansion. In some cases, they are even reducing the scale of their existing operations; if their capital can't grow, they have no choice but to reduce their assets.

It may be seen that size, *per se*, is a difficult criterion to apply. In fact, banking theory usually employs



Israeli banking at the crossroads (IX)
(Continued from Page One)

quite different criteria to foreign and home operations. This is commonly referred to as the difference between "wholesale" and "retail" banking.

Retail banking means having a large number of branches or outlets with very many customers, most of them small. A widespread operation like this is costlier to run, but it allows for wider profit margins. It also provides a much firmer base; a large number of small depositors are more reliable than a small number of large depositors, who will readily desert to a rival for a fractional and temporary advantage. Wholesale banking, in contradistinction, means concentrating on larger customers, usually corporations, with a narrower deposit base of relatively few, but major, depositors. Such a structure reduces overheads, since fewer outlets are necessary, and allows for greater specialization.

In any economy and banking system, both types of banks are necessary, since both forms of service must be provided. It is vital, however, for each individual bank to know what it is trying to be, and to concentrate on that and not attempt to take on roles it is not built for. (It is arguable that in Israel there is no need and no room for five banking groups, all operating primarily on the retail end for deposits, with only Hapoalim seeing itself as a wholesale bank for credit.)

Although there must always be retail banks, it is unusual to find a bank setting up a retail operation away from home. It is also illogical. The broad spread of contact with a large customer base that characterizes retail banking is most easily and effectively achieved by a local, rather than a foreign, bank. Where logic and practice dictate caution, and others fear to tread, Bank Leumi has rushed in regardless.

Of all the controversial issues raised in this series, not one came near producing a consensus view. People who expressed views produced a range of positions: there was always the one hand and the other hand, and often the third and fourth as well. Except on the question of how to operate abroad. Here, a clear-cut line-up emerged: the wholesale approach was favoured by all the banks except one, by all the outside analysts, by the Bank of Israel; it was also the accepted wisdom of the world banking industry. In favour of retailing services was a minority of one - Bank Leumi.

It is worthwhile to examine this wholesale-retail argument in detail. It casts much light on how ideology and business share the same bed in

Israeli banking, as well as throwing into sharp relief those issues of accountability and control which lie at the root of all the industry's ills.

Underlying Bank Leumi's overseas operations is the bank's philosophy. It sees itself as the universal bank, not only of Israel, but of the Jewish People wherever they may be. This is not surprising. The bank was founded as the Jewish Colonial Trust in London at the turn of the century. Its first local branch was in Jaffa, but Beirut was among its initial ports of call. It has always sought to create and strengthen links between Diaspora Jewry and the Yishuv, and later the State.

In other words, Leumi always was an international bank. When the big expansion of the Seventies came, Leumi's strategy was to establish its presence in more and more Jewish centres around the world, and to broaden its base where it already existed. This was done through an unequivocal policy of retail branches, opened on the high streets of the cities chosen, and openly vying for customers of every stripe, including small savers and housewives as well as local businessmen, importers and exporters.

Two places where this policy is most pronounced are London and New York. In the former, Leumi runs three outlets in the three main Jewish suburban communities, offering all the services that any high-street bank is expected to provide. In New York, Leumi's subsidiary boasts of no fewer than 26 branches, following the purchase of 18 branches from the local Bankers Trust Company in 1982. This massive presence covers every Jewish area and quite a few non-Jewish ones as well, and makes Leumi a major feature on the New York banking scene.

Leumi management admit that setting up and attracting customers to such an enormous outfit was a long and costly process, but they adamantly insist that the fruits of this investment are now beginning to become evident. Because they have many small depositors, their cost of funds is lower overall, and this wide customer base provides a great measure of stability. They quote the example of Continental Illinois, the giant Chicago bank that collapsed within days last spring, when rumours of trouble panicked its depositors into withdrawing their money. Had C.I. not been a wholesale bank, dependent on a fairly small circle of interbank depositors each carrying great weight, many analysts contend it would not have crumbled so quickly.

Above all, Leumi points proudly to the statistics that show it has over half of the foreign deposits held by the whole Israeli banking system, and that it similarly has more than 50 per cent of the connections with other banks around the world. Our method of doing business, says Leumi, is harder to build up and costlier to run, but in the long run its advantages outweigh its drawbacks and it is just as profitable as wholesale banking.

Every one of these claims is fiercely disputed, or rejected out of hand, by the legions of critics of Leumi's foreign strategy. The ideology of "serving the Jewish people" is dismissed as an institutional mania that has plagued Leumi for decades. Analysts insist that there is no such thing as "ethnic banking." Are there

Italian banks all over New York City, or Irish or Indian banks in Britain's towns and cities? The purchase of the Bankers Trust branches is ridiculed from every angle - the price was far too high, the very fact that a large local bank decided to close its retail operations and "go wholesale" should have been a warning, and the result was very high costs and tremendous problems with management at the individual branch level. In essence, says everyone outside Leumi, a foreign bank - Israeli or not - has no business taking on Citibank or Barclays on their home ground. The results do not justify the effort and resources expended.

The case of Continental Illinois is totally irrelevant, in this view. That bank failed, it is said, not because it had a wholesale orientation, but because it was completely wholesale, even in Chicago itself. Banks like Leumi have a large home base to operate as retailers, and their overseas activities should be strictly wholesale. As for Leumi's large market share, that is primarily the result of the length and breadth of Leumi's presence abroad. In any case, who cares if Leumi is bigger, the critics say. The question ultimately is whether bigger is more effective and more profitable, and here the answer is almost certainly negative.

Extreme wholesale banking, in the form of a small office, not even on street level, with a limited staff which concentrates on very specific areas, is also uncommon among Israeli banks abroad. Perhaps the archetypal foreign operation is that of Discount, whose subsidiary, Discount Bank of New York, is housed in one large and imposing building on Fifth Avenue, from which all business is conducted. This significant, but strictly limited presence, has proved its efficacy over more than 25 years of activity - now more than ever, perhaps, since so much of the profit of all the banks will come this year from foreign operations.

The current trend among all the banks, except Leumi, is to proceed along strictly wholesale lines (there are exceptions, such as Discount's outlets in Uruguay). The non-availability of extra capital to expand further is likely to strengthen this trend even more.

Given the basic fact that over one-third of the total assets of the Israeli banking system are now held by their foreign branches and subsidiaries, the question is not whether they should grow more, but whether and where they should pull back. Why, for example, does Bank Leumi need an enormous operation in France, with branches in Paris and many provincial cities as well?

Suppose, however, that Bank Leumi's critics are entirely correct and that its approach is quite wrong. So what? Of what concern is it to anyone else? Why can't every bank do what it sees fit, and let the results speak for themselves?

Because, comes the answer, they have already done as they saw fit, and the results have spoken loud and clear for themselves. Now the whole country cannot avoid being involved in determining the future of the banks. Because, you see, we - the taxpaying citizenry - are going to own the banks. And if we own them, we should also control them.

But it doesn't quite work that way, as will soon be made clear.

Index bonds in the spotlight

TEL AVIV. - The index-linked bond market was in the spotlight yesterday as end-of-the-month buying by the banks, in cover of the saving schemes which they have sold to the public, pushed up prices by as much as 4.5 per cent in the various groups. The "double-option" bonds in some groups, were up by as much as 0.5 per cent, and the Gilboa bonds zipped ahead up to 7 per cent.

The short-term loan market traded at yield levels which were between 8.50 and 9.58 per cent. These short term papers issued by the Bank of Israel reflected somewhat higher yields being offered by the banking community for *pakim* fixed short-term shekel deposits. Turnovers in bond trading rose accordingly, as prices advanced and totalled nearly 154.6 billion.

Trading on the share market continued to be influenced by the end-of-the-year tax situations as well as buying on the part of the mutual funds, which were in their pitching so as to improve their quarterly performances. As a result, the General Share Index advanced by 3.5 per cent.

However, the hybrid bank shares, part of the "arrangement" were clearly the winners in yesterday's trading session as they advanced on a sectoral basis by 5.01 per cent. Gains in this particular group ranged higher by as much as 10 per cent, as was the case with Hapoalim Preferred. The ordinary shares of the commercial banks rose by margins of up to

MARKET COMMENT

By JOSEPH MORGENSTERN

7.3 per cent.

Among bankholding companies the Danot 151.0 and 155.0 shares were unchanged as sellers offered large blocks of stock, but these were absorbed with relative ease.

In the industrial sector Eitan was traded in a highly volatile fashion and advanced by 15 per cent. In the investment company group, the Hiron 155.0 shares advanced by a similar amount.

A sign of the times and reflecting the low level of trading experienced by the Tel Aviv Stock Exchange in 1984, was the announcement of a decision by the exchange board of directors to approve the budget for 1985 in the total of \$1.9 billion. This is the equivalent of \$3.8 million in October 1984 prices.

The approved budget is in effect 17 per cent lower in real terms than that of 1984.

Announcements

Mahadrin - The board of directors of the exchange gave the company an additional extension for the filing of its financial results, until January 15, 1985. If the reports are not received by then, trading in them will be halted.

Rubinstein Contractors - The board of directors of the exchange

was advised that the investigations into the flotation of the shares of this company may not yet have been completed. Part of the findings, however, were passed on for further investigation to the Securities Authority. In the meantime, trading was halted yesterday in these shares until such time as technical preparations may be completed for arranging computerized trading.

Sahar Development - announced payment of a cash dividend of 50 per cent.

Rogovin Building - announced bonus shares of 100 per cent.

MARKET STATISTICS

Indices

General Share Index	687.65	+3.52%
Non-Bank Index	511.72	+0.11%
Arrangement	512.50	+0.11%
Industrial	508.54	+0.11%
Bond Index	509.48	+0.11%

Turnovers

Shares	182,242 tm
Bonds	184,997.7m
Totals	367,240.7m
Advances	215
Declines	122
of which 5% +	40
of which 5% -	18
"Buyers only"	18
"Sellers only"	11

Bond market trends

3% fully-linked	Rises to 7.3%
3% fully-linked	Rises to 7.3%
3% fully-linked	Rises to 7.3%
3% fully-linked	Rises to 7.3%
3% fully-linked	Rises to 7.3%

Most Active Shares

Leumi	10220	18337	1m	-250
IDB	2750	18224	4m	-410
Hapoalim	16100	18227	7m	-475

Tel Aviv Stock Exchange daily price quotations

Company	Volume	Price	%	Company	Volume	Price	%	Company	Volume	Price	%	Company	Volume	Price	%
Commercial Banks				Hotels, Tourism				Textiles and Clothing				Food and Tobacco			
Bank Leumi	10220	18337	-2.5	Gal Zohar 1	100	10.0	0.0	Admiral	5670	11	-4.7	Gal Ind 1	2365	10	+1.0
IDB	2750	18224	-4.1	Gal Zohar 2	100	10.0	0.0	Angel	6790	10	-0.4	Gal Ind 5	100	750	24
Hapoalim	16100	18227	-4.7	Hotel 1	100	10.0	0.0	Shemen p	1980	42	-7.4	Ferd 1	5200	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 2	100	10.0	0.0					Ferd 10	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 3	100	10.0	0.0					Ferd 15	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 4	100	10.0	0.0					Hadim	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 5	100	10.0	0.0					Hadim 5	3700	162	-
Bank Hapoalim	16100	18227	-4.7	Hotel 6	100	10.0	0.0					Hadim 10	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 7	100	10.0	0.0					Hadim 15	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 8	100	10.0	0.0					Hadim 20	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 9	100	10.0	0.0					Hadim 25	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 10	100	10.0	0.0					Hadim 30	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 11	100	10.0	0.0					Hadim 35	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 12	100	10.0	0.0					Hadim 40	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 13	100	10.0	0.0					Hadim 45	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 14	100	10.0	0.0					Hadim 50	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 15	100	10.0	0.0					Hadim 55	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 16	100	10.0	0.0					Hadim 60	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 17	100	10.0	0.0					Hadim 65	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 18	100	10.0	0.0					Hadim 70	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 19	100	10.0	0.0					Hadim 75	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 20	100	10.0	0.0					Hadim 80	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 21	100	10.0	0.0					Hadim 85	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 22	100	10.0	0.0					Hadim 90	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 23	100	10.0	0.0					Hadim 95	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 24	100	10.0	0.0					Hadim 100	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 25	100	10.0	0.0					Hadim 105	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 26	100	10.0	0.0					Hadim 110	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 27	100	10.0	0.0					Hadim 115	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 28	100	10.0	0.0					Hadim 120	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 29	100	10.0	0.0					Hadim 125	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 30	100	10.0	0.0					Hadim 130	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 31	100	10.0	0.0					Hadim 135	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 32	100	10.0	0.0					Hadim 140	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 33	100	10.0	0.0					Hadim 145	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 34	100	10.0	0.0					Hadim 150	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 35	100	10.0	0.0					Hadim 155	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 36	100	10.0	0.0					Hadim 160	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 37	100	10.0	0.0					Hadim 165	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 38	100	10.0	0.0					Hadim 170	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 39	100	10.0	0.0					Hadim 175	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 40	100	10.0	0.0					Hadim 180	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 41	100	10.0	0.0					Hadim 185	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 42	100	10.0	0.0					Hadim 190	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 43	100	10.0	0.0					Hadim 195	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 44	100	10.0	0.0					Hadim 200	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 45	100	10.0	0.0					Hadim 205	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 46	100	10.0	0.0					Hadim 210	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 47	100	10.0	0.0					Hadim 215	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 48	100	10.0	0.0					Hadim 220	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 49	100	10.0	0.0					Hadim 225	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 50	100	10.0	0.0					Hadim 230	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 51	100	10.0	0.0					Hadim 235	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 52	100	10.0	0.0					Hadim 240	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 53	100	10.0	0.0					Hadim 245	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 54	100	10.0	0.0					Hadim 250	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 55	100	10.0	0.0					Hadim 255	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 56	100	10.0	0.0					Hadim 260	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 57	100	10.0	0.0					Hadim 265	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 58	100	10.0	0.0					Hadim 270	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 59	100	10.0	0.0					Hadim 275	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 60	100	10.0	0.0					Hadim 280	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 61	100	10.0	0.0					Hadim 285	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 62	100	10.0	0.0					Hadim 290	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 63	100	10.0	0.0					Hadim 295	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 64	100	10.0	0.0					Hadim 300	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 65	100	10.0	0.0					Hadim 305	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 66	100	10.0	0.0					Hadim 310	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 67	100	10.0	0.0					Hadim 315	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 68	100	10.0	0.0					Hadim 320	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 69	100	10.0	0.0					Hadim 325	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 70	100	10.0	0.0					Hadim 330	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 71	100	10.0	0.0					Hadim 335	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 72	100	10.0	0.0					Hadim 340	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 73	100	10.0	0.0					Hadim 345	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 74	100	10.0	0.0					Hadim 350	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 75	100	10.0	0.0					Hadim 355	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 76	100	10.0	0.0					Hadim 360	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 77	100	10.0	0.0					Hadim 365	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 78	100	10.0	0.0					Hadim 370	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 79	100	10.0	0.0					Hadim 375	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 80	100	10.0	0.0					Hadim 380	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 81	100	10.0	0.0					Hadim 385	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 82	100	10.0	0.0					Hadim 390	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 83	100	10.0	0.0					Hadim 395	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 84	100	10.0	0.0					Hadim 400	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 85	100	10.0	0.0					Hadim 405	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 86	100	10.0	0.0					Hadim 410	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 87	100	10.0	0.0					Hadim 415	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 88	100	10.0	0.0					Hadim 420	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 89	100	10.0	0.0					Hadim 425	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 90	100	10.0	0.0					Hadim 430	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 91	100	10.0	0.0					Hadim 435	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 92	100	10.0	0.0					Hadim 440	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 93	100	10.0	0.0					Hadim 445	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 94	100	10.0	0.0					Hadim 450	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 95	100	10.0	0.0					Hadim 455	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 96	100	10.0	0.0					Hadim 460	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 97	100	10.0	0.0					Hadim 465	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 98	100	10.0	0.0					Hadim 470	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 99	100	10.0	0.0					Hadim 475	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 100	100	10.0	0.0					Hadim 480	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 101	100	10.0	0.0					Hadim 485	2800	278	-
Bank Hapoalim	16100	18227	-4.7	Hotel 102	100	10.0	0.0					Hadim 490	5000	48	-
Bank Hapoalim	16100	18227	-4.7	Hotel 103	100	10.0	0.0					Hadim 495	1600	73	-
Bank Hapoalim	16100	18227	-4.7	Hotel 104	100	10.0	0.0								

THE JERUSALEM POST
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Mr. Modai's tale of woe

FINANCE MINISTER Yitzhak Modai again came under attack at the cabinet yesterday from the same strange coalition within a coalition of talkative ministers - Mordechai Gur, Moshe Katsav and the ever-declamatory David Levy.

Once again, Mr. Modai was taken to task for not having submitted a comprehensive economic programme. His retort to that was, quite properly, that if economic policy is to be based on an accord between the government, the Histadrut and the employers, there can be no programme to be presented to the cabinet; rather it will receive for its approval an agreement when that is concluded. The Finance Minister has evidently realized that a unilaterally decided government programme and a consensual accord are mutually exclusive. That realization does not yet seem to have dawned on his colleagues in the cabinet.

However, the verbal barrage against Mr. Modai was primarily aimed at the implications of the budget cuts. Gur, Katsav and Levy accused the Finance Minister of pursuing an economic policy in which unemployment is the immediate objective and the main instrument for solving the economic crisis.

The missiles which these ministers fired off were directed at Mr. Modai, but there is reason to suspect that they were aimed as well at Prime Minister Peres who determines the scope of economic policy and its constraints.

Mr. Modai's critics have a point here. Budget cuts cannot but mean unemployment and, despite all the optimistic declarations to the contrary, there can be no swift re-employment of those who are thrown out of work. Strangely enough, the ministers who now criticize the Finance Minister and, by implication, the Prime Minister himself, did not voice their protest when they voted for budget cuts or accepted them.

Quite a number of the ministers have apparently deluded themselves that budget cuts can be made painlessly, without creating unemployment, or that by some hocus-pocus the unemployed would be taken up immediately by export industries starved of manpower. The rise in industrial unemployment caused by what is so far still a mild recession should have taught them some time ago that industry is unable to switch in short order from the domestic market to exports. It is therefore unable to retain its own workforce, let alone absorb manpower from the public service.

This inability to understand and face the consequences of budget cuts may in part explain the failure to implement them - a failure on which Mr. Modai yesterday reported at length to the cabinet.

It is, however, strange that the finance minister should come to the cabinet complaining that the solemn resolutions to slash public spending have not been implemented. He seems to be trying to blame his colleagues for his own failure to implement the government's resolutions, or for his failure to withstand the pressures from other ministers. The difficulty in getting them to agree to budget cuts might have been a legitimate cause for complaint in the full cabinet; the failure to implement decisions already taken is entirely the finance minister's own.

Individual ministers do not, after all, have funds of their own which they can spend at will. The contracts they sign and the commitments they undertake have to be approved by the accountant-general: the cash they can spend is what they receive from the accountant-general. If they spend more than what has been allocated to them, it is because Mr. Modai, to whom the accountant-general is responsible, provides them with the wherewithal to do so. He can, therefore, blame no one but himself.

There may, of course, be another explanation: that the Treasury does not know what the ministries spend until after the event, because high inflation has made budget control totally ineffective. If that is the case, the individual ministries also may not know what they actually spend until after the event, and again Mr. Modai has no case for laying the non-performance of economic management at their door.

Perhaps the conclusion which the finance minister should at last draw is that the management of the budget, and with it the entire economy, must switch over to a stable unit of account as a precondition for bringing the ultimate causes of inflation and balance of payments difficulties under control.

So far, the chief opponent of providing the economy with a firm monetary anchor - misleadingly identified with Yoram Aridor's "dollarization" - has been Finance Minister Yitzhak Modai himself. The sooner he abandons this opposition, the less cause will he have to come to the cabinet with reports of failure.

Economic smokescreen

By ROY ISACOWITZ

THE GOVERNMENT'S hopeless inability to come up with a comprehensive economic policy was highlighted last Thursday in speeches delivered by Finance Minister Yitzhak Modai and Industry and Trade Minister Ariel Sharon. Addressing two separate lunchtime audiences in Tel Aviv, Modai and Sharon proposed diametrically opposed solutions to the country's economic crisis.

While Modai rejected "dollarization" and maintained that the shekel was strong enough to stand on its own, Sharon said that he had no doubt that dollarization would be implemented. Modai stated flatly that taxes would have to be raised; Sharon expressed the opinion that taxes should be reduced drastically. Like everyone else, Modai and Sharon are welcome to their opinions. It is a little disheartening, however, when the holders of the two major economic portfolios differ so absolutely on essential issues - and that at a time when economic policy should have long been enunciated and implemented.

The package deal is now entering its final leg, with a massive price explosion in the offering in early February unless something is done immediately. Yet the country's economic policy-makers are apparently unable to agree on what further steps should be taken.

And it is not only the cabinet

ministers who are confused. According to Histadrut officials who have met repeatedly in recent weeks with government officials and their advisers, the "Gang of Three" professors advising the government - and who accompanied the recent economic delegation to the U.S. - are also separated by wide differences of opinion.

The differences apparently cover the gamut of economic issues confronting the government - monetary reform, budget cuts, taxation policy, unemployment and so on.

To date, the government has not presented any economic plan to the Histadrut for its approval. Despite the continuous contacts between the two sides, likewise, the manufacturers maintain that none of the measures publicly mentioned by Modai and other government representatives has been formally presented to them for consideration.

In fact, Deputy Prime Minister David Levy said last week that no economic plan has been brought before the cabinet for debate. In place of policy, we have a deluge of Treasury leaks and wild - and often contradictory - statements from government representatives.

Senior Histadrut officials are fed-up with the government's tardiness. As each new day of government inaction goes by, they say, the chances decrease that new measures

will be able to "bite" by the time the current package deal expires.

THEY CHARGE the government with having failed to fulfill its package deal obligations, while threatening further hardships for the workers. Specifically, the Histadrut maintains that the government's failure to levy the agreed-on tax on the self-employed was a "betrayal of a trust," while its failure to cut its budget has made a mockery of its self-proclaimed austerity programme.

The Histadrut is demanding deep budget cuts, knowing full well that the inevitable result of such cuts would be unemployment and hardship for the workers. Secretary-General Yisrael Kessar and the pragmatists he has gathered around him are sufficiently well versed in economics to know that, in the long run, budget cuts are unavoidable. They maintain, however, that the resources released by budget cuts must be channelled to investment in industry, particularly in development areas, for the creation of new jobs.

A dense fog has settled over the government's economic activities, punctuated only by self-serving leaks from the various factions. It is tempting to believe that the fog is a deliberate smokescreen, behind which the government is diligently and successfully preparing a programme. It is more likely, however,

Dry Bones



that the fog is caused by the government kicking up sand into its own face.

The leeway available to the government in which to present a plan must be measured in days and hours. Histadrut officials say. If serious negotiations are not in progress by the end of this week, they say, all the good reaped by the package deal is

likely to be dissipated. But the chances of a comprehensive, well-thought-out plan being presented in the very near future would appear to be slim, to judge by the inconsistent statements of the men involved.

The writer is a member of The Jerusalem Post editorial staff.

ONCE AGAIN the Soviet Union is actively campaigning for entry into the Middle East peace process. This is the meaning of Moscow's renewed call for an international conference, to be composed of the states directly involved in the Arab-Israeli dispute and chaired jointly by the Soviet Union and the United States.

Ever since December 1973, when, in the wake of the Yom Kippur War, Secretary of State Henry Kissinger visited Cairo and held talks with President Sadat, Moscow has been effectively excluded from a meaningful role in the peace process. The rapprochement between Washington and Cairo signified that, in Sadat's view, the road to a settlement (and the return of the Sinai) lay through Washington and not Moscow. The westward reorientation of Egyptian policy afforded no room for a Russian say in the negotiations.

Moscow's machinations

By SHLOMO SLONIM

Talks were to be conducted directly between the parties, under the friendly sponsorship of the U.S.

The Geneva Conference, under the joint chairmanship of the Soviet Union and the U.S. was duly convened in December 1973 in accordance with the requirements of Security Council resolution 338. But this was only window-dressing. After the interim settlement in 1974, which brought about the opening of the Suez Canal, matters became congealed and no further breakthroughs on the road to peace were recorded.

Misreading the situation, President Carter and his secretary of state, Cyrus Vance, assumed that the only way to break the logjam was to invite the Russians back. Nothing, of course, could be further from the truth. As the late Henry Jackson said: "The fox is back in the chicken coop."

Sadat not only recognized this fact: he acted upon it. Even before the ink was dry in the 1977 joint Soviet-American call for a reconvening of the Geneva Conference, Sadat resolved the stalemate by announcing his intention to fly to Jerusalem and address the Knesset.

The tree of American-Egyptian co-operation planted by Sadat and Kissinger in 1974 was now about to bear fruit in the form of the first peace negotiations to be conducted between Israel and an Arab state. Camp David and the Egyptian-Israeli peace treaty were direct consequences of the 1974 decision to isolate the Egyptian-Israeli dispute from superpower rivalry.

IS THERE anything in the present state of affairs which warrants a change, from the fundamental approach of allowing the parties to the dispute to settle matters by direct negotiations? These negotiations, it is clear, have been significantly enhanced by the role of the U.S. as an honest broker: some would even say that the American role has been indispensable. Egypt and Israel have a shared confidence that Washington is dedicated to a peaceful settlement of the Arab-Israeli dispute and aspires to the improved welfare and security of both countries. Does the same hold true for the Soviet Union?

No one denies that the Soviet Union has important interests in the Middle East; in fact, no other power actually borders on the region as does the USSR. But what is its attitude to the parties? Can it be said that Moscow exudes goodwill to both sides in the dispute and seeks their common good and security?

The record speaks for itself. Moscow has repeatedly proclaimed that it endorses the right of all states in the Middle East to exist in peace. This specifically includes Israel, the Russians declare. Yet last month, the Soviet delegate to the UN General Assembly voted to deny Israel's credentials to the world body.

How does this action square with the claim that Israel's right to untrammelled existence is unimpeachable? Does not a right to exist in peace include, as a minimum, the right of a state to be represented in a world forum by the freely elected government of its choice?

Russia's conduct in the UN is but a reflection of its relations with Israel generally. For some 17 years now, Moscow has not had diplomatic relations with Israel. Following the Six Day War, the Soviet Union and its satellites broke off diplomatic relations with Israel, which they denounced as the aggressor. More than anyone else, Moscow knew how false that charge was. Nonetheless, the Kremlin has not seen fit, despite the passage of time, to make amends and find some excuse for re-establishing ties with Israel.

AND IN considering Moscow's attitude, can Jerusalem be oblivious of

the Soviet government's oppression of its Jewish population? The cruel treatment meted out to such Prisoners of Zion as Anatoly Shcharansky and Yosef Begun hardly reflect an acknowledgement that Jews, like Israel itself, have a right to live in peace - whether they wish to remain in the Soviet Union or emigrate to Israel.

Can the Israeli government contemplate with equanimity Russian involvement in the peace process when every Russian move is designed to suppress the Jewish state and deny the right of Jews to emigrate there and live in freedom?

Let us pose this question: Would Russia's leaders agree to meet in a conference with a state (let alone a world power) which refuses to maintain diplomatic relations with Moscow, which seeks to delegitimize the Soviet Union by having it excluded from UN bodies and, moreover, which persecutes and tyrannizes people of Russian extraction living within its borders?

A conference chaired by both the Soviet Union and the U.S. would be fatally flawed from the start. In contrast to the U.S., which can serve as a neutral umpire in the search for peace, the Soviet Union can only be regarded as one further protagonist in the struggle against the Jewish state. Far from promoting direct talks between the parties - the proven method for securing peace - Moscow would be in a position to wring concessions from Israel in favour of its client states.

Given its present stance, it could not possibly serve as mediator. It is time that the United Nations ceased acting like a peacemaker in the Arab-Israeli dispute and assumed the role of a responsible world power. Protests of the right of Jews to a state of their own are not enough. Actions speak louder than words.

Dr. Slonim teaches international relations at the Hebrew University.

READERS LETTERS

SADISM AS ENTERTAINMENT

To the Editor of The Jerusalem Post: Sir, - A few days after the funeral of Hadass Kedmi, I saw on a billboard over a movie theatre in Jerusalem a giant painting showing a woman's hand manacled to an iron bar, fingers spread out in agony. An advertisement for a spectacle of torture and murder.

In the U.S. where the film in question was made, sadistic murder has become a national pastime, thanks in large part to the prevalence of such "entertainments." Among a people that remembers Auschwitz, what possible arguments can be advanced for countenancing the dissemination of such images as entertainment? Freedom of speech? But freedom of speech was originally instituted in order to protect the social dialogue and ensure redress of grievances.

Incitements to brutality endanger the social dialogue by spreading violence and fear. People who live in fear do not speak freely. These images have the same root as Nazism, whether or not they wear the swastika. They should be banned, before we lose the humanity on which our national identity depends.

ESTHER CAMERON Jerusalem.

NOISES, ANNOYING AND DANGEROUS

To the Editor of The Jerusalem Post: Sir, - I want to congratulate The Jerusalem Post and Helga Dudman for emphasizing the problem of noise in our society.

Unfortunately, the article fails to distinguish properly between noise that is annoying and that which can damage hearing. Only levels in excess of 85 decibels are potentially ear-damaging, as recognized in all legislation on noise damage in Western nations. Were 60 dB or even 70 dB damaging it would be dangerous for our ears each time we speak, since our own voices, measured at our own ears register between 70 and 80 dB on the sound level meter. Most of the noises which bother us, such as the neighbour's air conditioner, are an annoyance, and as such can alter our physiological functions, although there is no convincing evidence that this is more than nature's defensive response to the environment.

By far the most damaging cause of ear damage in Israel is the exposure to explosive noises in the necessary army experience, where a

shocking number of our soldiers suffer early, permanent hearing loss.

Certainly the reduction of unwanted noises is a highly desirable goal for our society in general because of the annoyance factor. Dudman's timely piece should help those of us who have been working for a long time to bring about determined and forceful corrective approaches against the most dangerous noises, such as that of highly amplified music and particularly from the most clearly damaging, the explosive sounds of the military experience.

MOE BERGMAN, Ed.D. Professor of Audiology, School for Communicative Disorders, Sackler School of Medicine, Tel Aviv University, Tel Aviv.

PENFRIENDS

SHARON LONG (25), of Box 41, Sayles Hall, 175 Partridge St., Albany, New York, 12205, is a student considering making aliyah and settling on kibbutz, and would like to correspond with women kibbutzniks about current events in Israel and social and political issues in general.

G.F.C.

POSTSCRIPTS

PS JERUSALEM Mayor Teddy Kolek discovered something amiss at the recent official opening of the impressive renovated Roman gate and piazza beneath Damascus Gate: accompanying all of the photographs depicting the history of the gate, only Hebrew and English explanations were included - no Arabic.

Teddy's ire knew no bounds. "Mistakes, mistakes," he said. "I've been hearing that excuse for 17 years. It's intolerable, especially when the site is located in the middle of the Arab side of town."

Officials promised that within weeks each of the placards will be taken down and the Arabic text added.

PS "YESTERDAY," writes a Beersheba reader, "I needed to contact someone in the local Israel Aircraft Industries plant. I called '14' and was told, 'That is a restricted number.' I felt curious enough to look up the Beersheba Golden Pages. Sure enough, there, on page 67, was the number for anyone to read, 057-74851. I then called the '14' supervisor to ask for an explanation of this anomaly, but all I got was an irritated comment. 'We do what we're told.' Calling the IAI was no more satisfactory. There I was denounced as a busybody." A.S.

PS AT THE RECENT ceremony at Beit Hanassi commemorating the 200th anniversary of the birth of Sir Moses Montefiore, London barrister Harold Montefiore pointed out that not all members of his illustrious family have remained Jewish. Hugh Montefiore, for example, who was Bar Mitzva in the house that now serves as the Israel Embassy in London, is the Bishop of Birmingham.

"When a Montefiore does something, he does it in a big way," commented Harold's wife Harriet. "He didn't just become an ordinary Christian, he became a bishop. But the change of faith in no way reflected a break with family or Israel. When the first Israeli banknotes bearing the likeness of Sir Moses were sent to England to be distributed among members of the family, the Bishop of Birmingham came to claim his share, she said."

Postscripts welcomes items from readers, especially anecdotes concerning the lighter side of life in Israel. Contributions must be accompanied by the writer's name, address, and identity-card number, and sent to: Postscripts, The Jerusalem Post, P.O. Box 81, Romema, Jerusalem 91000.

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